

DEPARTMENT OF LABOR AND INDUSTRY

CHAPTER 207

BOARD OF REAL ESTATE APPRAISERS

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Sub-Chapter 1

Organizational Rule

24.207.101 BOARD ORGANIZATION (1) The board of real estate appraisers hereby adopts and incorporates by reference the organizational rules of the department of labor and industry as listed in chapter 1 of this title. (History: 37-54-105, MCA; IMP, 2-4-201, MCA; NEW, 1991 MAR p. 1924, Eff. 10/18/91; TRANS, from Commerce, 2001 MAR p. 1331.)

Sub-Chapter 2

Procedural Rules

24.207.201 PROCEDURAL RULES (1) The board of real estate appraisers hereby adopts and incorporates by reference the procedural rules of the department of labor and industry as listed in chapter 2 of this title. (History: 37-54-105, MCA; IMP, 2-4-201, MCA; NEW, 1991 MAR p. 1924, Eff. 10/18/91; TRANS, from Commerce, 2001 MAR p. 1331.)

24.207.202 PUBLIC PARTICIPATION (1) The board of real estate appraisers hereby adopts and incorporates by reference the public participation rules of the department of commerce as listed in chapter 2 of this title. (History: 37-54-105, MCA; IMP, 2-3-103, MCA; NEW, 1991 MAR p. 1924, Eff. 10/18/91; TRANS, from Commerce, 2001 MAR p. 1331.)

Sub-Chapter 3 reserved

Sub-Chapter 4

General Provisions

24.207.401 FEES (1) The following fees will apply to all license/certificate holders or applicants. Fees are not refundable or transferable.

(a) original license/certificate application	\$400
(b) address change/change of business	15
(c) temporary registration of certification and licensure of out-of-state appraisers	150
(d) course approval per course payable by course provider	50
(e) course renewal approval per course	25
(f) upgrade/downgrade fee	150
(g) federal registry fee	25
(h) administrative/copying fee	40
(i) late renewal fee	150
(j) inactive license/certification fee	50
(k) reciprocity	400
(l) license or certification renewal fee	300
(m) original trainee license	300
(n) trainee renewal fee	300

(2) In addition to the fees charged by the board, examination candidates who sit for an examination must pay a seating fee to cover the cost of administering the examination.

The seating fee must be paid by the examination candidate directly to the examination service provider specified by the board. The board will furnish examination candidates with the necessary information regarding the examination, and the contact information for registering with the examination service provider. (History: 37-1-131, 37-54-105, MCA; IMP, 37-1-131, 37-54-105, 37-54-112, 37-54-201, 37-54-202, 37-54-210, 37-54-211, 37-54-212, 37-54-302, 37-54-310, 37-54-403, MCA; NEW, 1991 MAR p. 1924, Eff. 10/18/91; AMD, 1992 MAR p. 1612, Eff. 7/31/92; AMD, 1993 MAR p. 2775, Eff. 11/25/93; AMD, 1994 MAR p. 1584, Eff. 6/10/94; AMD, 1997 MAR p. 308, Eff. 2/11/97; AMD, 1999 MAR p. 1657, Eff. 7/23/99; AMD, 2000 MAR p. 3521, Eff. 12/22/00; TRANS, from Commerce, 2001 MAR p. 1331; AMD, 2002 MAR p. 911, Eff. 3/29/02; AMD, 2004 MAR p. 79, Eff. 1/16/04.)

24.207.402 ADOPTION OF USPAP BY REFERENCE (1) Upon review of the publication known as the Uniform Standards of the Professional Appraisal Practice (USPAP), published by the appraisal foundation, the board adopts and incorporates by reference the 2005 edition of USPAP. The board adopts and incorporates by reference the advisory opinions listed as an addendum to the USPAP publication, for the purpose of explaining and interpreting professional appraisal practice standards as required by 37-54-105, MCA.

(2) Upon review of the publication known as USPAP Frequently Asked Questions (USPAP FAQ), published by the

appraisal foundation, the board adopts and incorporates by reference the 2005 edition of USPAP FAQ, for the purpose of explaining and interpreting the standards as provided by 37-54-105, MCA.

(3) A copy of the revised USPAP will be sent to each licensee each time a revised version of USPAP is adopted and incorporated by reference by the board.

(4) Copies of USPAP and USPAP Frequently Asked Questions may be obtained from the Appraisal Foundation, 1029 Vermont Avenue NW, Suite 900, Washington, DC 20005-3317, or may be reviewed in the board office at 301 South Park, Helena, Montana 59620-0513. (History: 37-54-105, MCA; IMP, 37-54-105, 37-54-403, MCA; NEW, 1991 MAR p. 1924, Eff. 10/18/91; AMD, 2000 MAR p. 956, Eff. 4/14/00; AMD, 2000 MAR p. 3521, Eff. 12/22/00; TRANS, from Commerce, 2001 MAR p. 1331; AMD, 2002 MAR p. 911, Eff. 3/29/02; AMD, 2003 MAR p. 651, Eff. 4/11/03; AMD, 2004 MAR p. 732, Eff. 4/9/04; AMD, 2005 MAR p. 652, Eff. 4/29/05.)

24.207.403 REGULATORY REVIEWS (1) The board may request, by a random selection, that licensed or certified real estate appraisers submit a copy of an appraisal report for review for compliance with the uniform standards of professional appraisal practice as promulgated by the appraisal foundation.

(2) All licensed or certified real estate appraisers shall comply with a request of the board. Failure to comply with a request constitutes grounds for unprofessional conduct under 37-1-316, MCA. (History: 37-54-105, MCA; IMP, 37-1-136, 37-54-416, MCA; NEW, 2000 MAR p. 956, Eff. 4/14/00; AMD, 2000 MAR p. 3521, Eff. 12/22/00; TRANS, from Commerce, 2001 MAR p. 1331.)

24.207.404 APPRAISAL REVIEW (1) A licensed or certified appraiser who serves on the screening panel or adjudication panel for the board of real estate appraisers is exempt from writing an appraisal review in accordance with uniform standards of professional appraisal practice (USPAP) as promulgated by the appraisal foundation standards rule 3 in the performance of their screening or adjudication panel duties.

(2) Implementation of disciplinary proceedings necessitates a standard 3 review before action can be taken. (History: 37-1-131, 37-54-105, MCA; IMP, 37-54-105, MCA; NEW, 2000 MAR p. 2301, Eff. 8/25/00; AMD, 2000 MAR p. 3521, Eff. 12/22/00; TRANS, from Commerce, 2001 MAR p. 1331.)

Sub-Chapter 5

Licensing

24.207.501 EXAMINATION (1) A passing score on an examination shall be valid for two years from the examination date.

(2) The applicant, within two years prior to submitting an application for a license or certification, shall have successfully completed the appraiser qualifications board-endorsed uniform state licensed real property appraiser

examination with the following passing scores:

- (a) licensed residential - 75%,
- (b) certified residential - 77%, and
- (c) certified general - 79%.

(3) The examination is administered by a testing agency under contractual agreement with the board.

(4) Applicants for licensure or certification may not retake the examination for six months after having failed it a second or subsequent time. (History: 37-1-131, 37-54-105, MCA; IMP, 37-1-131, 37-54-105, 37-54-202, 37-54-302, 37-54-304, MCA; NEW, 1991 MAR p. 1924, Eff. 10/18/91; AMD, 1993 MAR p. 2775, Eff. 11/25/93; AMD, 1997 MAR p. 308, Eff. 2/11/97; AMD, 2000 MAR p. 3521, Eff. 12/22/00; TRANS, from Commerce, 2001 MAR p. 1331.)

24.207.502 APPLICATION REQUIREMENTS (1) An application for a license or temporary practice permit must be made on a form provided by the board and completed and signed by the applicant with the signature acknowledged before a notary public.

(2) The application must be typed or legibly written in ink, accompanied by the appropriate application and license fees and contain sufficient evidence that the applicant possesses the qualifications set forth in Title 37, chapter 54, MCA, and rules promulgated thereunder.

(3) The applicant shall submit original or certified documents in support of the application. The board may permit such documents to be withdrawn upon substitution of a true copy.

(4) The applicant shall provide three appraisal reports of their choice, with three true and correct copies of each.

(5) The board shall review fully-completed applications for compliance with board law and rules and shall notify the applicant in writing of the results of the evaluation of the application. The board may request such additional information or clarification of information provided in the application as it deems reasonably necessary. Incomplete applications shall be acknowledged with a statement regarding incomplete portions.

(6) The applicant shall correct any deficiencies and submit required material. Failure to submit the required material within 60 days shall be treated as a voluntary withdrawal of the application. After voluntary withdrawal, an applicant will be required to submit an entirely new application to begin the process again.

(7) All requests for reasonable accommodations under the Americans with Disabilities Act of 1990, at 42 USC 12101, et seq., must be made on forms provided by the board and submitted with the application prior to any application deadline set by the board.

(8) A completed application file must be received in the board office at least 45 days in advance of the next scheduled board meeting date. (History: 37-1-131, 37-54-105, MCA; IMP, 37-1-131, 37-54-105, 37-54-202, MCA; NEW, 1991 MAR p. 1924, Eff. 10/18/91; AMD, 1994 MAR p. 1584, Eff. 6/10/94; AMD, 1995 MAR p. 22, Eff. 1/13/95; AMD, 1997 MAR p. 308, Eff. 2/11/97; TRANS, from Commerce, 2001 MAR p. 1331; AMD, 2003 MAR p. 110, Eff.

1/31/03.)

24.207.503 EXPERIENCE - NUMBER OF HOURS REQUIRED (1) An applicant for licensure as a licensed real estate appraiser must present evidence of 2000 hours of appraisal experience obtained over a period of not less than 18 months.

(2) An applicant for certification as a certified residential real estate appraiser must present evidence of 2500 hours of appraisal experience obtained over a period of not less than 24 months. Hours may be treated as cumulative in order to achieve the necessary 2500 hours of appraisal experience.

(3) Applicants for certification as a certified general real estate appraiser must present evidence of 3000 hours of appraisal experience, obtained over a period of not less than 30 months. Hours may be treated as cumulative in order to achieve the necessary 3000 hours of appraisal experience. The applicant must have accumulated a total of 3000 hours of appraisal experience of which at least 1500 hours must be in non-residential appraisal work. (History: 37-1-131, 37-54-105, MCA; IMP, 37-1-131, 37-54-105, 37-54-202, 37-54-303, MCA; NEW, 1991 MAR p. 1924, Eff. 10/18/91; AMD, 1993 MAR p. 1642, Eff. 7/30/93; AMD, 1993 MAR p. 2775, Eff. 11/25/93; AMD, 1997 MAR p. 308, Eff. 2/11/97; AMD, 2000 MAR p. 3521, Eff. 12/22/00; TRANS, from Commerce, 2001 MAR p. 1331.)

24.207.504 QUALIFYING EDUCATION REQUIREMENTS

(1) Educational and training courses must receive prior approval by the board. Each course shall be approved for a three-year period only, and must be resubmitted, with all updated information required in (4) below, for reapproval at the end of the three-year period.

(2) Approved courses must meet the following standards:

(a) the course was developed by persons qualified in the subject matter and instructional design,

(b) the program content is current,

(c) the instructor is qualified with respect to course content and teaching methods,

(d) the number of participants and physical facilities are consistent with the teaching methods, and

(e) the course includes an examination for measuring the information learned.

(3) The following may be approved as providers of educational and training courses provided the standards set forth in (3)(a) through (e) are met:

(a) universities, colleges, junior colleges or community colleges accredited by a regional accrediting body accepted by the appropriate agency of the state of Montana;

(b) professional appraisal and real estate related organizations, provided that the organization is a member of the appraisal foundation as defined in 37-54-102(3), MCA.

(c) proprietary schools holding valid certificates of approval from the state of Montana;

(d) such other providers as approved by the board.

(4) To apply for approval a course provider must make

application in the manner prescribed by the board and pay the proper fee 30 days prior to offering the course. The application shall include, but not be limited to:

- (a) course outline or syllabus;
- (b) all texts, workbooks, handouts or other course materials;
- (c) instructors and their qualifications, including selection, training and evaluation criteria;
- (d) course examinations;
- (e) dates of course offerings;
- (f) locations of course offering;
- (g) history of the provider;
- (h) passing score requirement.

(5) The board shall have the authority to revoke its approval of a previously-approved course or course provider for cause.

(6) Except as otherwise provided in (11), an applicant must attend a minimum of 90% of the scheduled class hours, complete all required exercises and achieve a passing score on the course examination in order to receive credit for the course.

(7) It is the applicant's responsibility to verify that a particular course or other program for which credit is claimed has been accepted by the board.

(8) A classroom hour is defined as 50 minutes out of each 60 minute segment.

(9) Credit toward the classroom hour requirement may only be granted if the length of the educational offering is at least 15 hours and the individual successfully completes an examination pertinent to that educational offering.

(10) The board approves the following educational settings:

- (a) accredited colleges or universities,
- (b) accredited community or junior colleges,
- (c) real estate appraisal or real estate related organizations,
- (d) state or federal agencies or commissions,
- (e) proprietary schools, or
- (f) other providers approved by the board.

(11) Credit toward the classroom hour requirement may be awarded to teachers of appraisal courses.

(12) Qualifying education credit must have been obtained within five years prior to the application date.

(13) Instructors of the uniform standards of professional appraisal practice (USPAP) course must provide proof to the board by submitting a copy of the current certificate demonstrating that the individual has attended the annual update course provided by the appraisal standards board of the appraisal foundation.

(14) Distance education courses may be approved if the board determines that:

- (a) the distance education course serves to protect the public by contributing to the maintenance and improvement of the quality of real estate appraisal services provided by real estate appraiser licensees to the public;

(b) an appropriate and complete application has been filed and approved by the board;

(c) the distance education course provider must be certified by the international distance education certification center (IDECC) and provide appropriate documentation that the IDECC certification is in effect. Approval will cease immediately should IDECC certification be discontinued for any reason; and

(d) the distance education course meets all other requirements as prescribed in the statutes and rules that govern the operation of approved courses. (History: 37-1-131, 37-54-105, MCA; IMP, 37-1-131, 37-54-105, 37-54-202, MCA; NEW, 1991 MAR p. 1924, Eff. 10/18/91; AMD, 1992 MAR p. 1612, Eff. 7/31/92; AMD, 1994 MAR p. 1584, Eff. 6/10/94; AMD, 1997 MAR p. 308, Eff. 2/11/97; AMD, 2000 MAR p. 956, Eff. 4/14/00; AMD, 2000 MAR p. 3521, Eff. 12/22/00; TRANS, from Commerce, 2001 MAR p. 1331; AMD, 2003 MAR p. 110, Eff. 1/31/03.)

24.207.505 QUALIFYING EDUCATION REQUIREMENTS FOR LICENSED REAL ESTATE APPRAISERS (1) Applicants for original licensure as a licensed real estate appraiser shall complete at least 90 classroom hours of instruction, 15 hours of which must cover the uniform standards of professional appraisal practice as promulgated by the appraisal foundation at the time the educational offering was completed and at least 15 hours of which must cover report writing. Applicants must demonstrate that their education involves coverage of all topics listed below with particular emphasis on the appraisal of one- to four-unit residential properties:

- (a) influences on real estate value;
- (b) legal considerations in appraisal;
- (c) types of value;
- (d) economic principles;
- (e) real estate markets and analysis;
- (f) evaluation process;
- (g) property description;
- (h) highest and best use analysis;
- (i) appraisal statistical concepts/methods;
- (j) sales comparison approach;
- (k) site value;
- (l) cost approach;
- (m) income approach:
 - (i) gross rent multiplier;
 - (ii) estimation of income and expenses;
 - (iii) operating expense ratios;
- (n) evaluation of partial interests;
- (o) appraisal standards and ethics;
- (p) types of misconduct for which disciplinary proceedings may be initiated against a licensed real estate appraiser, as set forth by statute. (History: 37-1-131, 37-54-105, MCA; IMP, 37-1-131, 37-54-105, 37-54-202, 37-54-203, MCA; NEW, 1991 MAR p. 1924, Eff. 10/18/91; AMD, 1997 MAR p. 308, Eff. 2/11/97; AMD, 1998 MAR p. 744, Eff. 3/27/98; AMD, 2000 MAR p. 3521, Eff. 12/22/00; TRANS, from Commerce, 2001 MAR p. 1331.)

24.207.506 QUALIFYING EDUCATION REQUIREMENTS FOR RESIDENTIAL CERTIFICATION

(1) Applicants for certification as a certified residential real estate appraiser shall provide evidence of completion of 120 classroom hours, 15 hours of which must cover the uniform standards of professional appraisal practice as promulgated by the appraisal foundation and at least 15 hours of which must cover report writing and which may include the 90 classroom hours required for licensure as a licensed real estate appraiser.

(2) In addition to the topics listed in ARM 24.207.505, applicants for certification as a certified residential real estate appraiser shall demonstrate that their education involved coverage of narrative report writing and direct capitalization within the income approach. The education for this class shall place particular emphasis on the appraisal of one- to four-unit residential properties.

(3) To upgrade from a licensed real estate appraiser to a certified residential real estate appraiser, an applicant may use education obtained for licensure as a licensed real estate appraiser. (History: 37-1-131, 37-54-105, MCA; IMP, 37-1-131, 37-54-105, 37-54-303, MCA; NEW, 1991 MAR p. 1924, Eff. 10/18/91; AMD, 1993 MAR p. 2775, Eff. 11/25/93; AMD, 1997 MAR p. 308, Eff. 2/11/97; AMD, 1998 MAR p. 744, Eff. 3/27/98; AMD, 2000 MAR p. 3521, Eff. 12/22/00; TRANS, from Commerce, 2001 MAR p. 1331; AMD, 2003 MAR p. 110, Eff. 1/31/03.)

24.207.507 QUALIFYING EDUCATION REQUIREMENTS FOR GENERAL CERTIFICATION

(1) Applicants for certification as a certified general real estate appraiser shall provide evidence of 180 classroom hours of instruction, 15 hours of which must cover the uniform standards of professional appraisal practice, as promulgated by the appraisal foundation and at least 15 hours of which must cover report writing.

(2) In addition to the topics listed in ARM 24.207.505, applicants for general certification shall demonstrate that the education included:

- (a) narrative report writing; and
- (b) income approach, including the following:
 - (i) addressing estimation of income and expenses;
 - (ii) operating statement ratios;
 - (iii) direct capitalization;
 - (iv) cash flow estimates;
 - (v) measures of cash flow; and
 - (vi) discounted cash flow analysis.

(3) The education for certification as a certified general real estate appraiser shall place particular emphasis on the appraisal of non-residential properties.

(4) To upgrade from a licensed real estate appraiser to a certified general real estate appraiser, an appraiser may use education obtained for licensure as a licensed real estate appraiser with the additional 90 hours being obtained from non-residential courses.

(5) To upgrade from a certified residential real estate

appraiser to a certified general real estate appraiser, an appraiser may use education obtained for licensure as a licensed real estate appraiser or residential certification with the additional 60 hours being obtained from non-residential courses. (History: 37-1-131, 37-54-105, MCA; IMP, 37-1-131, 37-54-105, 37-54-303, MCA; NEW, 1991 MAR p. 1924, Eff. 10/18/91; AMD, 1997 MAR p. 308, Eff. 2/11/97; AMD, 1998 MAR p. 744, Eff. 3/27/98; AMD, 2000 MAR p. 3521, Eff. 12/22/00; AMD, 2001 MAR p. 1333, Eff. 7/20/01; TRANS, from Commerce, 2001 MAR p. 1331.)

24.207.508 AD VALOREM TAX APPRAISAL EXPERIENCE

(1) Experience credit may be awarded to ad valorem tax appraisers who demonstrate that they use techniques to value properties in compliance with USPAP, and effectively use the appraisal process. Applicants will be questioned on appraisal techniques by the board during an oral interview.

(2) Components of the mass appraisal process that may be given credit are: the highest and best use analysis; model specification (developing the model); and model calibration (developing adjustments to the model). Other components of the mass appraisal process, by themselves, shall not be eligible for experience credit. Applicants will be questioned on these analyses by the board during an oral interview.

(3) The applicant shall provide proper documentation as follows:

(a) The documentation shall include an experience log which is provided by the board, completed by the applicant and attested to by the applicant's supervisor. This form will indicate the type of experience and hours applicable to ad valorem necessary to confirm the necessary experience hours for the designation sought by the applicant, including individual property appraisals, tax appeals, model specifications and model calibrations.

(b) The documentation shall include 500 hours of single property appraisals which have been completed, according to standards, within the last five years. For licensure as a licensed real estate appraiser and certification as a certified residential real estate appraiser, the appraisals would be for residential properties. For certification as a certified general real estate appraiser, the appraisals would be for non-residential properties.

(4) Applicants shall hold, at a minimum, the following certification(s) issued by the Montana department of revenue, or equivalent from another state, as verified on supervisor's affidavit, or by separate documentation issued to applicant:

(a) Applicants for licensure as a licensed real estate appraiser and certification as a certified residential real estate appraiser shall hold a department of revenue residential certification.

(b) Applicants for certification as a certified general real estate appraiser shall hold a department of revenue commercial, industrial or agricultural certification.

(5) Experience accepted under other provisions of applicable statutes or rules may be combined with any portion of

the ad valorem experience set forth above.

(6) Mass appraisals shall be performed in accordance with standards rule 6 of USPAP. (History: 37-1-131, 37-54-105, MCA; IMP, 37-1-131, 37-54-105, MCA; NEW, 1993 MAR p. 142, Eff. 1/29/93; AMD, 1997 MAR p. 308, Eff. 2/11/97; AMD, 1998 MAR p. 744, Eff. 3/27/98; AMD, 2000 MAR p. 3521, Eff. 12/22/00; TRANS, from Commerce, 2001 MAR p. 1331.)

24.207.509 QUALIFYING EXPERIENCE (1) Acceptable appraisal experience includes, but is not limited to, the following:

(a) fee and staff appraisals;
(b) ad valorem tax appraisals, in accordance with ARM 24.207.508;

- (c) review appraisals;
- (d) appraisal analysis;
- (e) real estate appraisal consulting;
- (f) highest and best use analysis;
- (g) appraisal feasibility analyses or studies; and
- (h) condemnation appraisals.

(2) Acceptable appraisal experience must be for an unrelated client or where the applicant has no financial interest in the property.

(3) All applicants claiming appraisal experience shall have made a substantial contribution in arriving at a value conclusion as evidenced by the applicant's signature on the report or the applicant's name listed in the report as someone who provided significant professional assistance in the appraisal process.

(4) All evidence of appraisal activity must be supported by written file memoranda or written report.

(5) If requested, experience documentation in the form of reports or file memoranda should be available to support the experience claimed. The verification for experience credit claimed by an applicant shall be on forms prescribed by the board which shall include:

- (a) type of property;
- (b) date of report;
- (c) address of appraised property;
- (d) description of work performed; and
- (e) number of work hours.

(6) All experience submitted to the board must be done in conformance with the uniform standards of professional appraisal practice as promulgated by the appraisal foundation that is current at the time the appraisal is completed.

(7) Qualifying experience must be obtained within five years prior to application date.

(8) Timber and mineral appraisal does not qualify as real estate appraisal experience, unless performed in conjunction with a real estate appraisal involving real property.

(9) The board will use the following hourly credit as a guide toward the crediting of experience hours:

- (a) single family residential (one unit dwelling)
- (i) complete report

(ii) limited report	8
(b) multi-family residential (two-to-four units)	20
(c) residential vacant land less than 10 acres	8
(d) individual residential subdivision sites (per site) (not to exceed 50 hours)	5
(e) land (undeveloped nonresidential tracts, residential multi-family sites, commercial sites, industrial sites, land in transition, etc.)	20
(f) rural/agricultural/residential	
(i) 10 to 160 acres	20
(ii) 160 to 1,000 acres with improvements	50
(iii) over 1,000 acres with improvements	60
(g) residential multi-family (5-12 units) (apartments, condominiums, townhouses, mobile home parks, etc.)	35
(h) residential multi-family (13+ units) (apartments, condominiums, townhouses, mobile home parks, etc.)	40
(i) commercial single-tenant (office building, retail store, restaurant, service station, bank, day care center, etc.)	35
(j) commercial multi-tenant (office building, shopping center, hotel, etc.)	60
(k) industrial (warehouse, manufacturing plant, etc.)	60
(l) institutional (nursing home, hospital, school, church, government building, etc.)	60
(10) The board may provide a variance from the hourly standards provided in (8) above. To be considered for such a variance, an applicant must submit a written request for a variance supported by documentation which demonstrates the need for additional credit hours. (History: 37-1-131, 37-54-105, MCA; <u>IMP</u> , 37-1-131, 37-54-105, 37-54-202, 37-54-303, MCA; <u>NEW</u> , 1997 MAR p. 308, Eff. 2/11/97; <u>AMD</u> , 2000 MAR p. 3521, Eff. 12/22/00; <u>TRANS</u> , from Commerce, 2001 MAR p. 1331; <u>AMD</u> , 2002 MAR p. 911, Eff. 3/29/02; <u>AMD</u> , 2003 MAR p. 110, Eff. 1/31/03.)	

Rules 24.207.510 through 24.207.514 reserved

24.207.515 INACTIVE LICENSE/CERTIFICATION (1) A licensed or certified appraiser can place their license or certification in an inactive status by:

(a) paying the required fee in accordance with 37-54-105, 37-54-112, MCA, and ARM 24.207.401;

(b) indicating, in writing, "inactive at present"; and

(c) submitting proof of obtaining the required continuing education on the schedule currently adhered to by the board, in accordance with ARM 24.207.2101.

(2) A licensed or certified appraiser who has placed their license on an inactive status with the board has the sole responsibility to keep the board informed as to any change of

residency or mailing address during the period of time the license or certification remains on inactive status.

(3) A licensed or certified appraiser may remain inactive for a period of one year. Failure to renew the inactive status or become active will result in the lapsing of their license or certification. (History: 37-1-131, 37-54-210, 37-54-310, MCA; IMP, 37-1-131, 37-54-210, 37-54-310, MCA; NEW, 1997 MAR p. 308, Eff. 2/11/97; AMD, 2000 MAR p. 3521, Eff. 12/22/00; TRANS, from Commerce, 2001 MAR p. 1331; AMD, 2002 MAR p. 911, Eff. 3/29/02.)

24.207.516 REACTIVATION OF LICENSE (1) For a licensed or certified real estate appraiser to become active, the appraiser must:

(a) file an updated application form with the board office and pay the required fee in accordance with ARM 24.207.401;

(b) submit proof of obtaining the required continuing education in accordance with ARM 24.207.2101. (History: 37-1-131, 37-54-210, 37-54-310, MCA; IMP, 37-1-131, 37-54-210, 37-54-310, MCA; NEW, 1997 MAR p. 308, Eff. 2/11/97; AMD, 2000 MAR p. 3521, Eff. 12/22/00; TRANS, from Commerce, 2001 MAR p. 1331.)

24.207.517 TRAINEE REQUIREMENTS (1) A trainee shall:

(a) be 18 years of age or older;

(b) make application to the board on forms approved by the board;

(c) have completed 40 hours of approved qualifying education in the principles of real estate appraisal prior to making application; and

(d) complete an additional 50 hours of approved qualifying education within the next 12 months or the next renewal, whichever is greater. Fifteen hours must be in the area of the Uniform Standards of Professional Appraisal Practice (USPAP).

(2) For the purposes of ARM 24.207.503, appraisal experience obtained after October 1, 2003, will be credited only if earned by a licensed trainee. A licensed trainee may claim credit for appraisal experience obtained between October 1, 2000, and September 30, 2003, if the appraisal experience was obtained within the 36 months immediately prior to the individual's licensure as a trainee.

(3) A trainee shall be under the direct supervision of at least one appraiser mentor. A trainee may have more than one mentor.

(4) A trainee shall maintain an activity log for each mentor on forms approved by the board for qualifying activity completed in accordance with USPAP.

(5) A trainee license must be renewed by March 31 of each expiration year following the trainee's original year of licensure. A trainee license may be renewed a total of four times, but may be extended by the board for cause.

(6) All qualifying appraisals performed by a trainee must meet USPAP standards.

(7) After the original trainee licensing year, a trainee shall meet continuing education requirements established by rule. Qualifying education may be used to meet the continuing

education requirements.

(8) A trainee shall submit two copies of two different appraisal reports the trainee completed in accordance with USPAP with the trainee's annual renewal.

(9) A trainee may not perform qualifying experience without a mentor.

(10) A trainee shall perform qualifying experience within Montana.

(11) A trainee may not perform qualifying experience outside the scope of the mentor's licensure or certification.

(History: 37-1-131, 37-54-105, MCA; IMP, 37-1-131, 37-54-105, 37-54-201, 37-54-202, 37-54-303, 37-54-403, MCA; NEW, 2004 MAR p. 79, Eff. 1/16/04; AMD, 2005 MAR p. 1400, Eff. 7/29/05.)

24.207.518 MENTOR REQUIREMENTS (1) Beginning October 1, 2003, a mentor for a licensed real estate appraisal trainee shall:

(a) be a certified residential or certified general appraiser. A licensed appraiser mentoring a trainee prior to October 1, 2003, may continue to mentor the licensed trainee for not more than 18 months;

(b) be approved by the board prior to beginning mentoring duties;

(i) a mentor shall make application on forms approved by the board and submit two appraisal reports prepared by the mentor in accordance with USPAP standards;

(ii) failure to prepare appraisal reports in compliance with USPAP can result in denial of mentor status;

(c) have a minimum of two years licensed or certified appraisal experience;

(d) be in good standing with the board;

(e) certify the mentor's agreement to provide on-going supervision of the licensed trainee;

(f) be responsible for and must provide direct supervision of all appraisal work performed by the trainee in accordance with USPAP standards;

(g) review and sign the experience log of their trainee, certifying its accuracy;

(h) inspect the first 100 properties with each trainee under the mentor's supervision;

(i) be limited to mentoring a total of three trainees at any particular time; and

(j) be limited to mentoring trainees in geographic areas where the mentor is competent to perform appraisals.

(2) A mentor must notify the board within 10 days when mentoring of a trainee has terminated. (History: 37-1-131, 37-54-105, MCA; IMP, 37-1-131, 37-54-105, 37-54-201, 37-54-202, 37-54-301, 37-54-403, 37-54-411, 37-54-416, MCA; NEW, 2004 MAR p. 79, Eff. 1/16/04; AMD, 2005 MAR p. 1400, Eff. 7/29/05.)

Subchapters 6 through 20 reserved

Sub-Chapter 21

Continuing Education

24.207.2101 CONTINUING EDUCATION (1) Continuing education courses shall be approved according to the criteria of ARM 24.207.504, including application for re-approval after three years except that an examination shall not be required.

(2) Courses must be a minimum of two hours in length to receive approval.

(3) Application may be made for continuing education credit for participation other than as a student in appraisal education processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks or similar activities which are determined by the board to be equivalent to obtaining continuing education.

(4) Beginning with the March 31, 2003 renewal, licensees, upon every other renewal, shall provide evidence to the board of having completed at least 31 hours of instruction in courses or seminars approved by the board, at least seven hours of which must be related to the national uniform standards of professional appraisal practice course.

(5) An education reporting form executed under the penalty of perjury of the laws of Montana attesting to the successful completion of the continuing education requirement must be submitted to the board by March 31 of the licensee's educational reporting cycle.

(6) An incomplete education reporting form will not be accepted and will be returned to the licensee. Any form returned to the licensee must be properly completed and resubmitted before the March 31 deadline.

(7) All continuing education courses must be taken and completed within the licensee's educational cycle.

(8) The board may audit licensees for compliance with continuing education requirements. Audited licensees must provide copies of completion certificates to the board as verification of compliance within 30 days after mailing of the audit request.

(9) Education reporting forms will be mailed to all real estate appraiser licensees at their last address of record. Failure to receive an education reporting form does not eliminate the reporting requirement. (History: 37-1-131, 37-1-306, 37-1-319, 37-54-105, MCA; IMP, 37-1-131, 37-1-306, 37-54-105, 37-54-210, 37-54-303, 37-54-310, MCA; NEW, 1991 MAR p. 1924, Eff. 10/18/91; AMD, 1994 MAR p. 1584, Eff. 6/10/94; AMD, 1997 MAR p. 308, Eff. 2/11/97; AMD, 1997 MAR p. 1360, Eff. 8/5/97; AMD, 1998 MAR p. 744, Eff. 3/27/98; AMD, 1999 MAR p. 2624, Eff. 11/19/99; AMD, 2000 MAR p. 3521, Eff. 12/22/00; TRANS, from Commerce, 2001 MAR p. 1331; AMD, 2003 MAR p. 235, Eff. 1/31/03.)

24.207.2102 CONTINUING EDUCATION NON-COMPLIANCE

(1) Failure to comply with the completion or reporting requirements established by the board is unprofessional conduct and will result in disciplinary action by the board. (History:

37-54-105, 37-54-202, 37-54-210, 37-54-310, MCA; IMP, 37-1-131,
37-1-136, MCA; NEW, 2003 MAR p. 110, Eff. 1/31/03.)